



**United States Department of Justice  
United States Attorney's Office  
District of Minnesota**

**B. Todd Jones,  
United States Attorney**

**Jeanne F. Cooney  
Director of Community Relations  
(612) 664-5611  
email: [jeanne.cooney@usdoj.gov](mailto:jeanne.cooney@usdoj.gov)**

## **News Release**

FOR IMMEDIATE RELEASE  
Wednesday, December 9, 2009  
[WWW.USDOJ.GOV/USAO/MN](http://WWW.USDOJ.GOV/USAO/MN)

### **Blaine man pleads guilty to obtaining \$588,200 from CitiMortgage through fraud**

A 35-year-old Blaine man has pleaded guilty to defrauding CitiMortgage out of \$588,200.51 through a mortgage fraud scheme. Appearing before United States District Court Judge John Tunheim in Minneapolis earlier today, Jeffrey Michael Taylor pleaded guilty to one count of conspiracy to commit wire fraud in connection with this crime. Taylor was charged on November 13, 2009.

In his plea agreement, Taylor, the owner of First Solution Lending, a mortgage lending company in Maple Grove, admitted conspiring with an unnamed person to obtain money by securing a second mortgage on an Arizona property based on a fraudulent loan application. Taylor acquired the Arizona property in April 2005 for \$1.5 million, and in March 2006, he attempted to sell it for \$1.85 million. He held little equity in the vacation get-away.

When the property failed to sell, Taylor initiated his fraud scheme by falsifying loan documents. Specifically, in those documents, Taylor stated that an individual, who was really his unindicted co-conspirator, had purchased the property in 2005 for \$2.26 million and had \$825,000 of equity in it. Those documents then were submitted to CitiMortgage, which routinely funded mortgage loans originated by Taylor's company.

Based on the fraudulent application, CitiMortgage loaned the unindicted co-conspirator \$592,500, secured by a worthless second mortgage on the Arizona property. The loan proceeds were transmitted by interstate wire.

In entering his guilty plea, Taylor also admitted causing the unindicted co-conspirator to hand over to him the loan proceeds. In addition, neither Taylor nor his co-conspirator made any loan payments to CitiMortgage.

Taylor faces a potential maximum penalty of five years in prison for his crime. Judge Tunheim will determine his sentence at a future date. This case is the result of an investigation by the Federal Bureau of Investigation. It is being prosecuted by Assistant U.S. Attorney David J. MacLaughlin.

